



The President's Management Agenda: Human Capital

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Overview

- Human capital in the President's Management Agenda: OMB implementation
- Key elements of NIST's current human capital plan
- Expectations and opportunities for further development

President's Management Agenda

- Released by Office of Management and Budget (OMB) on 8/25/01
- Three guiding principles for government reform:
 - ✓ Citizen-centered
 - ✓ Results-oriented
 - ✓ Market-based
- Contains five government-wide management initiatives:
 - ✓ **Strategic management of human capital**
 - ✓ Competitive sourcing
 - ✓ Improved financial performance
 - ✓ Expanded electronic government
 - ✓ Budget and performance integration
- In October 2001, OMB released a corresponding “Management Scorecard” that provides performance criteria for each initiative

OMB Scorecard Criteria: Human Capital



Must meet all core criteria:

- Agency human capital strategy is aligned with mission, goals, and organizational objectives: 1) integrated into Budget and Strategic Plans; 2) consistent with OPM's human capital balanced scorecard; and 3) complies with standards for internal accountability systems to ensure effective merit-based HRM.
- Agency has a citizen-centered organizational structure that is delayed and oriented toward performing the mission assigned to it.
- Agency 1) sustains high-performing workforce that is continually improving in productivity; 2) strategically uses existing personnel flexibilities, tools, and technology; and 3) implements effective succession plans.
- No skill gaps/deficiencies exist in mission critical occupations
- Agency differentiates between high and low performers through appropriate incentive and rewards
- Changes in agency workforce skill mix and organizational structure reflect increased emphasis on e-government and competitive sourcing



Has any of the following conditions:

- Agency human capital strategy is not aligned to support the mission, goals, and organizational objectives: 1) not integrated into Budget and Strategic Plans; 2) not consistent with OPM's human capital balanced scorecard; and 3) does not comply with standards for internal accountability systems to ensure effective merit-based HRM.
- Agency organizational structure is not citizen-centered and not delayed.
- Agency does not 1) sustain a high-performing workforce that is continually improving in productivity; 2) strategically use existing personnel flexibilities, tools, and technology; and 3) implement succession plans.
- Skill gaps/deficiencies exist across the agency or in mission critical occupations.
- Agency fails to reward high performers and fails to address low performance.
- Agency outsources without training and deploying adequate contract management staff, and/or without appropriate planning to accommodate displaced employees.

OMB's Five Impact Areas

- Reducing number of managers
- Reducing organizational layers
- Reducing time to make decisions
- Increasing span of control
- Redirecting (redeploying) positions

DOC / NIST Response to OMB

- OMB instructed the Department of Commerce to develop a workforce restructuring plan (due March 15, 2002)
- DOC officials required each Bureau to submit a plan (February 2002); NIST plan currently being reviewed
- NIST's response included substantial input from Director's Office, Operating Unit Directors, Human Resources Management Division, and Budget Division

NIST Response to DOC Workforce Plan

Summary observations:

1. **Current status:** NIST is a flat, mission-focused organization with a variety of powerful HR tools
2. **Near-term organizational changes:** NIST will implement a series of management and organizational changes focused on increasing operational efficiency and effectiveness
3. **Long-term organizational changes:** The NIST 2010 planning process will respond to long-term competitive labor market pressures and also should improve the alignment of NIST's human capital strategies with its long-term programmatic needs

Current NIST Organizational Structure

NIST already has a flat, mission-focused structure:



- 3,187 total staff on-board
- About 282 managerial positions (9% of total)
- Staff:manager ratio of 10:1
- 500-600 guest researchers on-board at any given time
- Including guest researchers:
 - Managers represent 8% of total staff
 - Staff:manager ratio is 12:1

Current Organizational Practices

- NIST has a variety of powerful human resource tools and flexibilities:
 - Pay-for-performance rating system
 - Alternate work schedule and workplace programs
 - Family friendly leave policies
- NIST uses on-going internal reorganizations to ensure efficiency and responsiveness to changing customer needs

Challenge: Maximize the effectiveness and efficiency of HR tools already in place and continually identify improvements to workforce management strategies and policies

Near-term Organizational Changes

Over the next 1-2 years NIST will implement changes focused on increasing operational efficiency and effectiveness, such as:

1. Executive team streamlining and improved management communication practices
 - Re-examining roles of the Director and Deputy Director
 - New executive meeting structure
 - Improved communication practices
2. Improving human resources and administrative operations, structure, and evaluation tools
 - Developing and applying balanced scorecard metrics
 - Competitive sourcing

Near-term Organizational Changes

3. Continuing to use internal reorganizations to improve efficiency, effectiveness, and customer focus
 - Evaluated on a case by case basis
 - Ensure organizational flexibility
4. Improving leadership development at NIST
 - Leadership, Management, and Organizational Development program
 - Succession planning

Long-term Human Capital Planning

Long-term challenges:

- To fulfill its mission, NIST must continue to attract and retain very high-quality technical and non-technical staff members, including outstanding future leaders of the organization
- General workforce trends as well as trends specific to science and technology labor markets will significantly impact NIST's future organizational environment
- NIST must develop and implement its long-term human capital strategies in the context of these trends as well as expected programmatic needs

Response to Long-term Human Capital Needs

- Human capital is a strategic focus area for the NIST 2010 long-term planning effort
- Key elements of the “People” SFA
 - Describe long-term workforce trends and identify issues specific to the science and technology workforce
 - Use external interviews and studies to identify factors that drive employee recruitment and retention in high performance organizations
 - Compare NIST HR practices and conditions to leading organizations in industry, academe, and the public sector
 - Identify high priority opportunities for improvement
- Overarching goal: maintain / improve NIST’s ability to attract and retain top talent, and align human capital strategies with programmatic needs

Conclusion

- NIST's near-term human capital plans are focused predominantly on organizational efficiency and effectiveness
- NIST 2010 planning efforts should lead to the alignment of long-term programmatic and human capital planning, and should improve NIST's position in competitive labor markets
- Potential VCAT contributions:
 - Compare data and analyses of long-term workforce trends
 - Compare how human capital functions are organized and how they are responding to workforce trends